

## SUPPLEMENTAL EXHIBIT 1



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

### Inspection Report

#### Minerals Regulatory Program

July 15, 2010

Reviewed: 

<b>Mine Name:</b> Saturday Night Mine	<b>Permit Number:</b> M/003/0076
<b>Operator Name:</b> Perihelion Global, Inc.	<b>Inspection Date:</b> July 14, 2010
<b>Inspector(s):</b> Lynn Kunzler, DOGM	<b>Time:</b> 10:30 am
<b>Other Participants:</b> Mike Nelson, BLM	<b>Mine Status:</b> Inactive

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls,	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### Purpose of Inspection:

John Beebe has filed bankruptcy. He is listed in the NOI as the chairman, CEO and president of Perihelion Global. Site inspected to determine what needs to be done for reclamation.

#### Inspection Summary:

The Annual permit fee has not been paid for the last two years. The Division holds a \$19,000 surety (LOC) and the BLM holds an additional \$5,000 (cash) for reclamation of the portion of the access road that is on BLM lands (at the time of permitting, it was represented that the BLM portion of the access road was in Nevada, thus the BLM bonded the road separately)

Apparently no material was ever removed from the site. Disturbances that need reclamation include the access road and three portals need to be closed (secured). The roads were surveyed with a GPS data logger. About ½ of the road disturbance consisted of cut/fill constructed roads, with the cut averaging about 3 feet high. The width (top of cut to toe of fill) averaged about 24 feet. The rest of the road appeared to have been bladed, with only minor cut/fill being made. There is a gate located on the road (no lock) located where the road crosses from BLM to the patented claims. With the road being reclaimed, this gate needs to be removed, with the gate post left as a permanent marker of the property line. As the road is regraded, it needs to be left in a roughened condition to discourage ATV use, control erosion and promote vegetation establishment.

As the road was walked, attention was given to the existing vegetation, to make recommendations for a seed mix. Species of interest included: western wheatgrass, bluebunch wheatgrass, indian ricegrass, sheep fescue, scarlet gilia, sweet vetch, rocky mountain penstemon (Palmer penstemon would be a better choice for reclamation), Wyoming big sagebrush, and green rabbitbrush. Bitterbrush was observed along the road to the site.

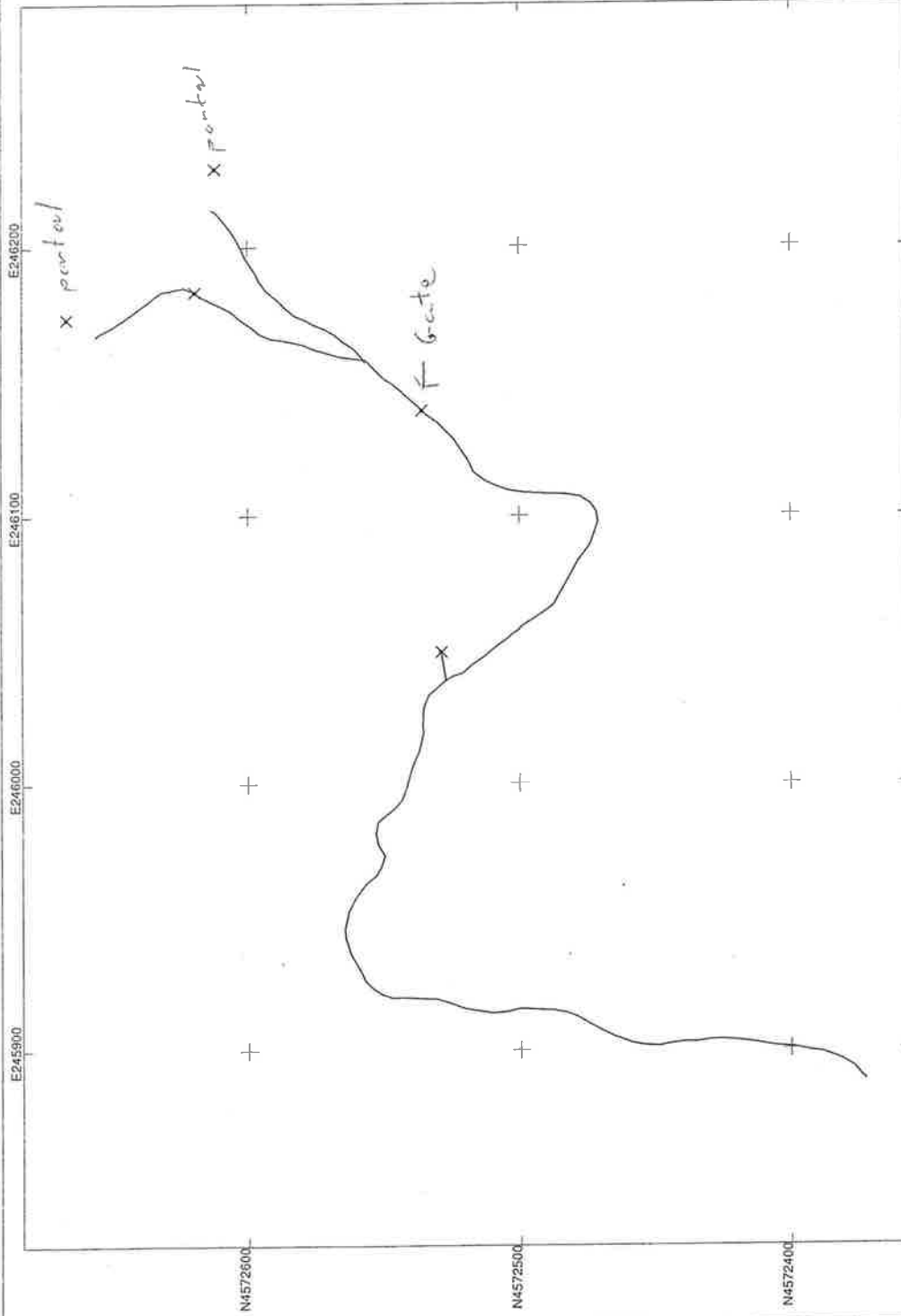
Saturday  
Night 1 & 2  
new roads  
constructed



Scale 1:1,600  
0 200.0  
Feet

UTM  
12 North  
NAD 1927 (Conus)

R071315A.cor  
1/24/2012  
GPS Pathfinder Office  
Trimble



## SUPPLEMENTAL EXHIBIT 2

# STATE OF UTAH

OFFICE OF THE ATTORNEY GENERAL



MARK L. SHURTLEFF  
ATTORNEY GENERAL

JOHN E. SWALLOW  
Chief Deputy

*Protecting Utah • Protecting You*

KIRK TORGENSEN  
Chief Deputy

December 12, 2011

Frank A Baker, Esq.  
Law Offices  
44231 LaFayette Street  
Marianna, FL 32446

Re: Letter of Credit #G48-2007 Utah Division of Oil, Gas and Mining

Dear Mr. Baker,

We have received the payment of \$19,000.00 on the Irrevocable Letter of Credit #G48-2007 issued effective March 27, 2007 by the Bank of Jackson County to the State of Utah, Division of Oil, Gas and Mining. This prompt reply and payment is appreciated and satisfies our claim. The Division's Notice of Agency Action filed with the Board on December 9, 2011 seeking an order forfeiting the surety and to directing the Division to proceed with reclamation will need to continue since the Board is statutorily required to order those actions. However, this letter is notice that the claim against the Bank of Jackson County for failure to honor the draft presented earlier is considered satisfied in full and will not be pursued further.

If you need further clarification regarding this settlement and release please advise. Thanks again for your prompt response.

Respectfully,

Steven F. Alder  
Assistant Utah Attorney General

cc: Bank of Jackson County  
Federal Deposit Insurance Corporation,  
John Baza, Director  
Dana Dean, Associate Director